



MANDRIEN CONSULTING GROUP
REAL ESTATE SERVICE INDUSTRY



Process Optimization - Automation The First Step

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Business Process Management. To many, these words conjure up images of tremendous complexity. Months of planning. Committees. Meetings. More meetings. Boxes and arrows and squiggles depicting your business processes – as they are and what you hope they will be – on wall-length whiteboards. The process sounds complicated, complex and exhaustive.

While BPM can be that complex, it needn't be. You can move, and move quickly, to pluck the low-hanging process automation fruit for your company.

In this short paper, Mandrien will provide some guidance, along with things to ponder, consider, and act on, as you contemplate how to automate your business processes.

We'll start with one critical takeaway – GET STARTED.

“Perfection” is often the enemy of good – and, often, good is ... good enough. Yes, business process management can be used to automate and remodel complex business processes for increased efficiency. Interestingly enough, many business processes by their nature are not complex. Simply automating the existing manual process can deliver significant business benefits. The key is to start ... somewhere!

Many experts say that “paving the cow path” overlooks ways to improve your process efficiencies. So does wasting time identifying the perfect process while you could be gaining efficiency by just getting started. Again, the key is to start ... somewhere!

By focusing on manual processes that can be automated quickly and providing near-immediate process efficiencies and ROI, an organization can quickly become more agile relative to its competitors. Even if those process efficiencies are gained in a non-revenue generating area of the business, the money saved can be applied to ensure greater returns or to improve the company's ability to compete (i.e., increasing its competitive advantage by building better products, having more dollars available for research, etc.). Automating an inefficient and slow manual process can also increase customer loyalty, which leads to all good things.

What is Process Management?

According to *Webster's*: “a process is a series of actions or operations conducting to an end; *especially*: a continuous operation or treatment especially in manufacture; or, to subject to or handle through an established usually routine set of procedures.” Companies have been performing business processes since there have been businesses. Today, those processes can be streamlined and made more efficient with automation. All companies have processes. Without processes, a business would grind to a halt. What's the result of automating those processes? A more agile and efficient business. And, an additional benefit of automation: Those processes become more visible and demonstrable. **Business process management (BPM)** has been defined as a method of efficiently aligning an organization with the wants and needs of its customers, both internally and externally. BPM embraces a structured approach that employs the methods, policies, metrics, management practices, and software tools to manage and continuously optimize an organization's activities – and its processes. This boils down to automating work and making it faster and more efficient. In the long run, BPM involves identifying the current state of the business process and identifying an improved future state. Please note: this is a continuous feedback loop and, ideally, a continuously improving process.

Business Value

OK, now that you know what BPM is, why should you care? A recent AIIM study asked, “How important is BPM to your organization’s success?” 19% of respondents answered “Imperative,” while 46% rated BPM as “Significant.” At the same time, the study noted that BPM is not understood throughout companies. When asked “How well is BPM understood in your organization?” 34% answered “Vague” and 26% answered “No clear understanding.” However, the AIIM research revealed many benefits for those who have implemented BPM tools:

- 82% Increased Process Efficiency/Productivity
- 81% Demonstrated Continuous Process Improvement
- 78% Improved Process Quality/Consistency/Quality

Forrester Research, an independent marketing research company that provides pragmatic and forward-thinking advice to global business and technology leaders, echoes this desire for productivity on the part of those who already have implemented – or are in the process of implementing – BPM. In response to the question, “What are your reasons ... for embarking on your process improvement initiative?” 71% responded with “Improve Productivity.” The second most popular response was to “Eliminate Wasteful Process Steps/Activities,” another productivity-related reason. Forrester also cites “Investment/Cost” as the most significant barrier to implementation identified by survey respondents.

Despite BPM’s relatively immature state of adoption, survey data suggests that the introduction of BPM into an organization can have a very strong and positive impact – one that is actually measurable in hard dollars. Among those companies that conducted a return on investment (ROI) study, 52% achieved a positive ROI in three years or less. Another 15% achieved ROI in five years or less. A full 70% of those who reported executing an ROI indicated direct cost savings as an achieved benefit. It is, therefore, no surprise that 65% of survey respondents indicated that BPM was imperative or significant to the success of their organization.

To get started, you need to demonstrate to budget-conscious executives that you can quickly implement the chosen solution and do so at a very competitive cost (while ensuring that the tool you select will scale, enabling you to grow as large, and rapidly, as you require.). Mandrien can address this for you with **Business Process Optimization Analysis (BPOA)**.

BPOA provides business users with the advanced capabilities they need to provide greater agility and visibility into their business processes. BPOA manages, automates and reports on any organization’s business processes.

Consider then how an effective electronically-based workflow – combined with processing with clearly articulated business rules – might improve your efficiency. Think about a company involved with processing a customer’s credit application, for example, and how an electronic workflow will make the process more agile and adaptable to changing business requirements.

Identifying the Process

While your end users definitely need to be involved in the identification of the business process, the Business Analyst is typically the key person who will ensure that your processes are identified. This person is the liaison between IT, the corporate sponsor and the user community – and is responsible for gathering information and requirements. Your business analyst can evaluate existing process and recommend alternatives/solutions that represent improvements to those processes.

Mandrien's BPOA is a product that enables your business analysts to more easily and effectively document your processes. What makes BPOA unique is its ability to automate existing process without requiring users to change the way they do business. Because it incorporates workflow, document management, forms processing and collaboration, BPOA integrates easily with existing applications as well as your data sources. Based on a strong understanding of business and IT roles, BPOA provides business users with a robust infrastructure that enables them to administer and process changes directly, minimizing the IT resources that are usually required.

Please note: Many vendors will try to convince companies to re-evaluate or redo their existing processes before actually automating them. This often leads to problems with user acceptance – and user frustration. While automating a process and moving to an electronic system can be troublesome, trying to redo how a process actually works at the same time it is being used can cause even greater resistance to a new implementation.

Overall Benefits

BPOA benefits boil down to two main categories:

1. Improving operational efficiency, including reducing the amount of human intervention required to carry out business tasks, by automating business rules and reducing cycle times.
2. Supporting innovation.

While the second benefit, supporting innovation, is certainly important, for the purpose of this particular paper we will focus on efficiency, and address how BPOA supports innovation at another time.

Use Cases and Benefits

What are some examples of low-hanging fruit? Processes are simple, in essence, but yield exceptional savings. Simply switching from paper, manual processes to a digital, automated flow of work yields quantifiable and valuable savings:

- Coordinating requests from multiple departments, geographic locations, vendors, and suppliers
- Maintaining a log of change requests and insight into when changes are occurring
- Enabling web self-service to launch requests manual routing errors from handling paper
- Providing visibility into the processes that support management decisions and compliance initiatives

- Ensuring that processes are followed consistently, which has the additional benefit of improving compliance
- Improving productivity as a result of reducing mishandled requests

Wrap Up

As mentioned previously, automating business processes can appear to be more complex than it truly is or has to be. Remember, there's no reason to make this overly complex. Sometimes a straightforward solution is just the ticket for a straightforward business issue. Get started on the basics. Some business processes will be more complex than those described here and will require a more in-depth solution, with longer planning and a more detailed roll-out. But, if that's not you, you can get going now and start to see results while others are pondering how to improve their business processes!

To learn more about BPOA and how it can address your process automation needs, contact Mandrien to request more information. We will be happy to learn about your requirements -- so that we can tailor a meeting to your specific needs.